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Message Text

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61
ACTION PM-04

INFO OCT-01 ARA-06 ISO-00 CIAE-00 DODE-00 H-02 INR-07 L-03

NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15 USIA-06 AID-05

EB-07 MC-02 TRSE-00 OMB-01 /068 W
---------- 100196
R 191410Z DEC 75
FM AMEMBASSY LIMA
TO SECSTATE WASHDC 8100
INFO AMEMBASSY BRASILIA
AMEMBASSY QUITO
USCINCSO QUARRY HTS CZ

C O N F I D E N T I A L LIMA 10477

E.O. 11652: GDS
TAGS: MASS, PE
SUBJECT: SALE OF USN SHIPS ON LOAN/LEASE

REF: STATE 222561 AND A-6443

1. REFS RE-STATE 1972 EXECUTIVE BRANCH POLICY TO SELL
USN SHIPS ON LOAN/LEASE TO OTHER NAVIES AND INQUIRE ABOUT
POSSIBLE OFFER TO SELL FOUR SHIPS PRESENTLY ON LOAN OR LEASE TO PERU.
ALTHOUGH OUR RECORDS ARE INCOMPLETE OWING TO INTERRUPTION
OF MAAG ACTIVITIES HERE IN 1969, WE UNDERSTAND THE FOUR SHIPS
ARE:

AFDL-33, A SMALL AUXILIARY FLOATING DRYDOCK LOANED
IN 1959, WHOSE ESTIMATED SALE PRICE IS $100,000;

YW-122, A WATER BARGE LOANDED IN 1963, ESTIMATED
SALE PRICE $42,000;

ARD-8, AN AUXILIARY REPAIR DRYDOCK LOANED IN 1961,
ESTIMATED SALE PRICE $320,000; AND

YR -59, A FLOATING WORKSHOP, ORIGINALLY LEASED IN 1961,
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ESTIMATED SALE PRICE $25,000.

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2. I BELIEVE THE PERUVIAN NAVY MIGHT BE ATTRACTED TO THE PURCHASE OF ONE OR MORE OF THESE VESSELS, AND WOULD BE WILLING TO EXPLORE THE IDEA INFORMALLY AND CONFIDENTIALLY WITH THE NAVY MINISTER PROVIDING:

A. THAT DESPITE THE CAVEATS IN REFTEL, THE DEPARTMENT IS RESONABLY CERTAIN CONGRESS WOULD NOT OBJECT TO THE SALES. I NOTE THAT ALL ARE NON-COMBATANT, NON-PATROL VESSELS.

B. THAT I COULD ASSURE NAVY MINISTER THAT THE PRICES I MENTION TO HIM ARE ABSOLUTELY "ROCK-BOTTOM" AND CLOSELY APPROXIMATE OR ARE BELOW THE SCRAP VALUE.

C. THAT IN CASE THE MINISTER TURNED DOWN THE OFFER OR POSTPONED A DECISION, OR THE EXECUTIVE BRANCH COULD NOT IN FACT SELL BECAUSE OF CONGRESSIONAL OBJECTIONS, THAT THE U.S. WOULD RENEW THE LEASE/LOANS.

3. I UNDERSTAND THE LOAN OF THE ARD-8 AND LEASE OF THE YR-59 EXPIRE IN FEBRUARY AND AUGUST, 1976, RESPECTIVELY, AND WOULD THEREFORE APPRECIATE EARLY ADVICE ON HOW TO PROCEED.
DEAN

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NNN

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